

Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 PA-01 PRS-01 DODE-00 /076 R

DRAFTED BY AF/C:EMARKS:LA

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S/S: MR. ORTIZ

AF:JJBLAKE

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FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

INFO AMCONSUL LUBUMBASHI

C O N F I D E N T I A L STATE 091097

E.O. 11652: GDS

TAGS: CG,BMIN

SUBJECT: SMTF COPPER PROJECT

1. BOARD OF DIRECTORS OF SMTF INCLUDING MAURICE TEMPELSMAN, MURRAY HOFFMEYER OF CHARTER LTD., PETER BURNELL OF SMTF, RAY BALLMER OF AMOCO MINERALS, FRANK OSMENT OF STANDARD OIL, AND THEODORE SORENSON CALLED ON DEPUTY SECRETARY ROBINSON APRIL 12 TO DISCUSS PLANS FOR REOPENING SMTF PROJECT. THEY HAD PREVIOUSLY SENT DEPUTY SECRETARY WORKING MEMORANDUM OF THEIR TENTATIVE IDEAS AND WISHED TO PRESENT IT TO HIM FORMALLY FOR INFORMATION AND CONSIDERATION.

2. COPY OF MEMORANDUM WILL BE HAND-CARRIED TO EMBASSY BY TEMPELSMAN REP LARRY DEVLIN. ESSENTIAL POINTS ARE THAT SMTF PARTNERS HOPE TO GO AHEAD WITH PROJECT ON REDUCED LEVEL. INITIAL PROJECTION TARGET WOULD BE 80,000 TONS OF COPPER AND 3 TO 4,000 TONS OF COBALT ANNUALLY.

INCREMENTAL (TO AMOUNTS ALREADY SPENT) OF FINANCING TO BE LIMITED TO DOLLARS 400 TO 500 MILLION. THIS IS LEVEL OF
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FINANCING POSSIBLY OBTAINABLE AND REDUCING SCOPE OF PROJECT

WILL LIMIT TECHNICAL AND LOGISTICAL PROBLEMS.

3. DEPUTY SECRETARY EXPRESSED OPINION THAT PROPOSED REORGANIZATION BETTER DESIGNED, COMMENTING THAT STAGED APPROACH OFFERED BEST METHOD OF DEALING WITH VARIOUS PROBLEMS.

4. SECOND KEY ELEMENT OF SMTF MEMORANDUM WAS ANALYSIS WHICH STATED THAT EVEN WITH CUTBACK IN PROJECT SIZE, FINANCIAL CONSIDERATIONS REQUIRED ALTERATIONS OF GOZ PARTICIPATION (I.E. SPECIFICALLY GOZ'S FREE RIDE FOR 20 WOULD HAVE TO BE CHANGED) AND EXTERNAL ASSISTANCE FROM WESTERN GOVERNMENTS. LATTER IS DEFINED AS VARIOUS SORTS OF CONCESSIONARY FINANCING WITH PROJECT INFRASTRUCTURE (HOUSING, TRANSPORTATION, ETC.) PLUS INVESTMENT AND MARKETING GUARANTEES. SMTF REPS REPLIED TO DEPUTY SECRETARY'S QUESTION ON GOZ PARTICIPATION BY STATING THEY BELIEVE ZAIRIANS WOULD BE FORTHCOMING FOR GOOD OF PROJECT. OTHER ELEMENTS WERE NOT DISCUSSED AS SMTF REPS MERELY ASKED FOR CONSIDERATION BY USG OF OVERALL PACKAGE.

5. FYI: SMTF REPS SENT MEMORANDUM TO DEPUTY SECRETARY IN ADVANCE OF MEETING. THEY SHOWED UP IN FORCE FOR MEETING BUT LIMITED DISCUSSION TO GENERAL OUTLINES OF PROPOSALS, STATING THAT THEY WISHED DEPUTY SECRETARY TO BE INFORMED OF THEIR CURRENT THINKING ON PROJECT. THEY DID NOT RPT NOT SPECIFICALLY ASK FOR ASSISTANCE AT THIS TIME NOR DID THEY ASK FOR ANY USG COMMITMENTS. DEPUTY SECRETARY ACCEPTED MEMORANDUM IN SAME MOOD, EXPRESSING INTEREST IN AND SUPPORT FOR PROJECT BUT EMPHASIZING PRIVATE SECTOR CHARACTER OF CONSORTIUM. HOWEVER, HE ALSO EXPRESSED USG INTEREST IN SEEING PROJECT SUCCEED, FOR BENEFIT OF ZAIRE AND FOR WORLD ECONOMY, AND OFFERED APPROPRIATE USG ASSISTANCE. SUBJECT ESSENTIALLY LEFT OPEN FOR NEAR FUTURE FOLLOWING FORTHCOMING DISCUSSIONS BETWEEN SMTF AND GOZ AND GOZ AND USG.

6. MEMCON AND SMTF MEMORANDUM BEING POUCHED. KISSINGER

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Message Attributes

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Copy: SINGLE
Draft Date: 15 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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